



January 19, 2010

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551

RE: R-1378; Mortgage Disclosures

Dear Ms. Johnson:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions (FCUs), I am responding to the Federal Reserve Board's interim final rule implementing § 404(a) of the *Helping Families Save Their Homes Act* (the Act). The proposed rule requires any person or institution that acquires more than one mortgage in a 12 month period to notify the borrower that the mortgage has been transferred.

First, NAFCU supports applying the rule only to covered persons who acquire more than five mortgages in a year. Such an exemption would not undercut consumer protection concerns as the vast majority of mortgages would still be covered by the rule. Such an exemption would be helpful for institutions that are not in the business of acquiring mortgages but which may do so on a very limited basis. Finally, where practical, it is always advantageous to make the regulation and its application as consistent as possible. With this in mind, NAFCU supports exempting covered persons that acquire five or fewer mortgages in a year.

Additionally, NAFCU supports increasing the 30 day exemption to 60 days. Exempting only mortgages that are held for less than 30 days may not be sufficient time for institutions that intend to sell the mortgage immediately and begin immediately making plans to do so. While the secondary market generally functions quite quickly, there certainly will be many occasions where a new title holder will require more than 30 days to find a buyer. Increasing the period to 60 days will not weaken consumer protection as borrowers will still receive notice. Moreover, allowing 60 days would likely benefit consumers as the Board itself recognized, in explaining the 30 day exemption, that consumers may become confused if they receive multiple notices in a short period of time.

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In conclusion, NAFCU supports the proposed rule but believes the final rule would be improved if it addresses the two concerns listed above. NAFCU appreciates this opportunity to share its comments on the proposed guidelines. Should you have any questions or require additional information please call me at (703) 842-2212.

Sincerely,

A handwritten signature in black ink, appearing to read "Dillon Shea". The signature is fluid and cursive, with the first name "Dillon" and the last name "Shea" clearly distinguishable.

Dillon Shea
Associate Director of Regulatory Affairs